

AMENDED IN ASSEMBLY MAY 6, 2009

AMENDED IN ASSEMBLY APRIL 16, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1476**

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**Introduced by Assembly Member Cook**

February 27, 2009

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An act to amend Section 17070.51 of the Education Code, relating to school facilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 1476, as amended, Cook. School facilities: repayment of penalties assessed against school district for submission of application with material inaccuracies.

Existing law, the Leroy F. Greene School Facilities Act of 1998, establishes a program by which the State Allocation Board allocates state per-pupil funding to school districts for new construction and modernization of school facilities. Existing law requires the board to apportion funds only upon compliance with prescribed standards and requirements.

Existing law requires the State Allocation Board to impose certain penalties, to be deposited into the continuously appropriated 1998 State School Facilities Fund, and conditions upon school districts that submit applications with material inaccuracies. A school district against which penalties have been imposed is required to repay to the State Allocation Board, in accordance with a repayment schedule approved by the board, an amount proportionate to the additional amount received as a result of the material inaccuracy, including interest, as specified.

This bill would ~~require~~ *authorize* the State Allocation Board, ~~upon a finding by the Superintendent that the approved repayment has caused, or will cause, the school district an extreme financial hardship,~~ to extend the repayment period by an additional period of up to 5 years, ~~based on a school district repayment plan approved by the Superintendent if the district has received a negative certification from the county office of education pursuant to a designated provision and the board finds that the district has no capital facilities funds available to use for repayment.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 17070.51 of the Education Code is  
2     amended to read:  
3     17070.51. (a) If any certified eligibility or funding application  
4     related information is found to have been falsely certified by school  
5     districts, architects, or design professionals, hereinafter referred  
6     to as a material inaccuracy, the Office of Public School  
7     Construction shall notify the board.  
8     (b) The board shall impose the following penalties if an  
9     apportionment and fund release has been made based upon  
10    information in the project application or related materials that  
11    constitutes a material inaccuracy.  
12    (1) Pursuant to a repayment schedule approved by the board of  
13    no more than five years, the school district shall repay to the board,  
14    for deposit into the 1998 State School Facilities Fund, the 2002  
15    State School Facilities Fund, or the 2004 State School Facilities  
16    Fund, as the case may be, an amount proportionate to the additional  
17    funding received as a result of the material inaccuracy, including  
18    interest at the rate paid on moneys in the Pooled Money Investment  
19    Account or at the highest rate of interest for the most recent issue  
20    of state general obligation bonds as established pursuant to Chapter  
21    4 (commencing with Section 16720) of Part 3 of Division 4 of  
22    Title 2 of the Government Code, whichever is greater.  
23    (2) The board shall prohibit the school district from  
24    self-certifying certain project information for any subsequent  
25    applications for project funding for a period of up to five years  
26    following the date of the finding of a material inaccuracy or until  
27    the district's repayment of the entire amount owed under paragraph

(1). Although a school district that is subject to this paragraph may not self-certify, the school district shall not be prohibited from applying for state funding under this chapter. The board shall establish an alternative method for state or independent certification of compliance that shall be applicable in these cases. The process shall include, but shall not be limited to, procedures for payment by the school district of any increased costs associated with the alternative certification process.

~~(3) Upon a finding by the Superintendent that the repayment approved pursuant to paragraph (1) has caused, or will cause, the school district an extreme financial hardship, the board shall extend the repayment period by an additional period of up to five years, based on a school district repayment plan approved by the Superintendent.~~

*(3) The board may extend the repayment period by an additional period of up to five years if both of the following conditions apply:*

*(A) The district has received a negative certification from the county office of education pursuant to paragraph (2) of subdivision (a) of Section 42131.*

*(B) The board finds that the district has no capital facilities funds available to use for repayment.*

(c) For school districts found to have provided material inaccuracies when a funding apportionment has occurred, but no fund release has been made, the board shall direct its staff to reduce the apportionment as necessary to reflect the actual nature of the project and to disregard the inaccurate information or material, and paragraph (2) of subdivision (b) shall apply.

(d) For those school districts found to have provided material inaccuracies when no funding apportionment or fund release has been made, the inaccurate information or materials shall not be considered, and paragraph (2) of subdivision (b) shall apply. The project may continue if the application, minus the inaccurate materials, is still complete.